

ModernGraham Valuation

Company Name:

Company Ticker RRC

Date of Analysis

8/18/2015

Range Resources Corp.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	0.94
MG Growth Estimate	15.00%
MG Value	\$36.27
MG Value based on 3% Growth	\$13.66
MG Value based on 0% Growth	\$8.01
Market Implied Growth Rate	15.11%

MG Opinion

Current Price	\$36.47
% of Intrinsic Value	100.56%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$30.35
PEmg	38.72
Current Ratio	0.74
PB Ratio	1.79
Dividend Yield	0.44%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.73	Next Fiscal Year Estimate	\$0.94
Dec14	\$3.79	Dec14	\$1.41
Dec13	\$0.70	Dec13	\$0.10
Dec12	\$0.08	Dec12	-\$0.08
Dec11	\$0.36	Dec11	\$0.04
Dec10	-\$1.53	Dec10	\$0.13
Dec09	-\$0.35	Dec09	\$1.00
Dec08	\$2.25	Dec08	\$1.53
Dec07	\$1.54	Dec07	\$1.07
Dec06	\$1.14	Dec06	\$0.76
Dec05	\$0.85	Dec05	\$0.53
Dec04	\$0.38	Dec04	\$0.37
Dec03	\$0.41	Dec03	\$0.34
Dec02	\$0.32	Dec02	-\$0.03
Dec01	\$0.24	Dec01	-\$0.45
Dec00	\$0.64	Dec00	-\$0.83
Dec99	-\$0.18	Dec99	-\$1.37
Dec98	-\$4.55	Balance Sheet Information Jun15	
Dec97	-\$0.87	Total Current Assets	\$373,608,000
Dec96	\$0.46	Total Current Liabilities	\$506,752,000
Dec95	\$0.21	Long-Term Debt	\$3,464,000,000
		Total Assets	\$8,805,931,000
		Intangible Assets	\$0
		Total Liabilities	\$5,424,517,000
		Shares Outstanding (Diluted Average)	166,421,000



Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company [19 Companies to Research This Week – 8/23/14](#)
[Range Resources Corporation Annual Valuation – 2014 \\$RRC](#)

Other ModernGraham posts about related companies [Helmerich & Payne Inc. Analysis – August 2015 Update \\$HP](#)
[FMC Technologies Inc. Analysis – August 2015 Update \\$FTI](#)
[Denbury Resources Inc. Analysis – August 2015 Update \\$DNR](#)
[Western Refining Inc. Analysis – Initial Coverage \\$WNR](#)
[WPX Energy Inc. Analysis – 2015 Update \\$WPX](#)
[Marathon Petroleum Corporation Analysis – 2015 Update \\$MPC](#)
[Valero Energy Corporation Analysis – July 2015 Update \\$VLO](#)
[National Oilwell Varco Analysis – July 2015 Update \\$NOV](#)
[Magellan Midstream Partners LP Analysis – Initial Coverage \\$MMP](#)
[Schlumberger Limited Analysis – July 2015 Update \\$SLB](#)